

Dentons Flashpoint

Daily Global Situation Report

December 20, 2021

Global Situation Update: December 20, 2021

KEY TAKEAWAYS

Chile shifts to the left with the election of Gabriel Boric as president.

Goldman Sachs downgraded its US GDP growth forecasts, over doubts the \$1.75tn Build Back Better plan will be fully implemented.

Amid surge of new Omicron infections, New York calls to invoke the Defense Production Act to provide supplies of testing kits and treatments.

Global Situation Update: December 20, 2021

WHAT WE'RE WATCHING

In Chile, 35-year-old leftist lawmaker Gabriel Boric is set to become the youngest ever president after winning a run-off vote against far-right populist José Antonio Kast. Boric endorses progressive social demands that have gained momentum in Chile since protests rocked the country in 2019. He will prioritize issues including gender equality, Indigenous rights and environmental protections and oversee the drafting of a new national constitution.

Chile's presidential election was highly polarized, but despite the overall social disillusionment with politics, democratic fundamentals remain solid in one of the richest countries in South America. Boric is expected to pursue an economic policy of higher taxes on the wealthy and state mining companies, the backbone of Chile's economy, and embrace green projects. His election could serve as a boost to leftist candidates in nearby Colombia and Brazil.



Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Global

Globally, confirmed coronavirus cases topped 271.9 million with 5.3 million deaths; almost 8.3 billion vaccine doses have been administered.

- The **Omicron coronavirus variant** has been reported in 89 countries and the number of cases is doubling in 1.5 to 3 days in areas with community transmission, the WHO reported. The WHO warned that with cases rising so rapidly, hospitals could be overwhelmed in some places.
- The risk of reinfection with the **Omicron variant** is more than five times higher and it has shown no sign of being milder than Delta, per a study by the Imperial College London.
- **Moderna's COVID-19 booster** shot elicits a strong antibody response against the Omicron variant, appearing to increase antibody levels even further than a third dose of the Pfizer vaccine.
- **Wealthy countries** have administered more COVID-19 boosters than the total number of all doses administered so far in **poorer nations**, according to *Financial Times'* analysis.

Markets & Business

Equifax Inc. plans to begin recording installment plans that allow shoppers to make four biweekly payments instead of covering the full cost at checkout. The move is meant to give lenders a fuller picture of people's financial commitments.

- Enterprise software maker **Oracle Corp** is planning to buy electronic medical records company **Cerner Corp** in an all-cash deal which could be valued at \$30 billion.
- Chinese artificial intelligence company **SenseTime** is relaunching its IPO in Hong Kong with the help of investment from state-backed entities after being blacklisted by the US.
- **BNP Paribas** is selling its San Francisco-based **Bank of the West** to **BMO Financial Group** for \$16.3 billion, in the latest move by a European lender to cut back retail operations in the US.
- “Spider-Man: No Way Home” opened to a record-setting \$253 million at the box office this weekend, a result considered all but impossible since COVID-19 shut down the world-wide **theatrical industry** more than 18 months ago.

Environment, Sustainability & Governance

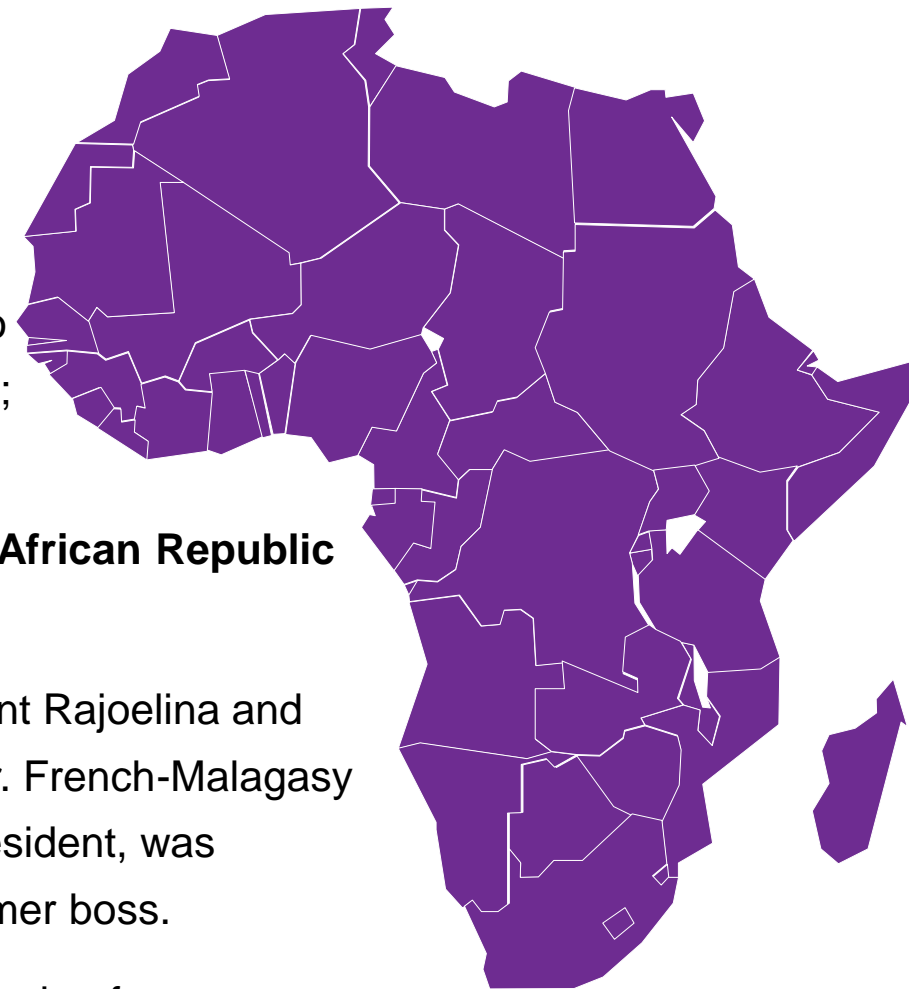
Glaciers across the Himalayas are melting 10 times faster in the past 40 years than during the previous seven centuries, according to a new research paper.

- A federal grand jury has accused Amplify Energy Corp and two of its subsidiaries of **illegally and negligently discharging oil** during a pipeline break in California in October and failing to respond to alarms.
- Nest, the £20 billion UK government-backed workplace pension scheme, sold its holdings in ExxonMobil and four other energy companies after criticizing their progress on managing **climate change risks**.
- The UK's Prudential Regulation Authority fined Standard Chartered more than £46.5 million for repeatedly **reporting a key liquidity metric incorrectly** and not being "*open and co-operative*" with financial regulators.
- Qatar will invest £85 million in a Rolls-Royce led program to build a new generation of smaller nuclear reactors, as part of the UK's push to meet its 2050 **net zero carbon targets**.

Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Africa

- In Khartoum, **Sudan**, hundreds of thousands of protesters marched to the presidential palace in rallying against the October 25 military coup; security forces responded with tear gas and stun grenades.
- The **US** imposed sanctions on Ali Darassa, a militia leader in **Central African Republic** whose forces it accused of murder, torture, rape and kidnapping.
- A court in **Madagascar** convicted six people over a plot to kill President Rajoelina and handed them various sentences up to 20 years' prison with hard labor. French-Malagasy dual national Paul Rafanoharana, who was once an adviser to the president, was handed the highest punishment in the trial for conspiring to kill his former boss.
- Rebellious Tigrayan forces fighting the central government are withdrawing from neighboring regions in northern **Ethiopia**, per the Tigray People's Liberation Front.



Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Asia

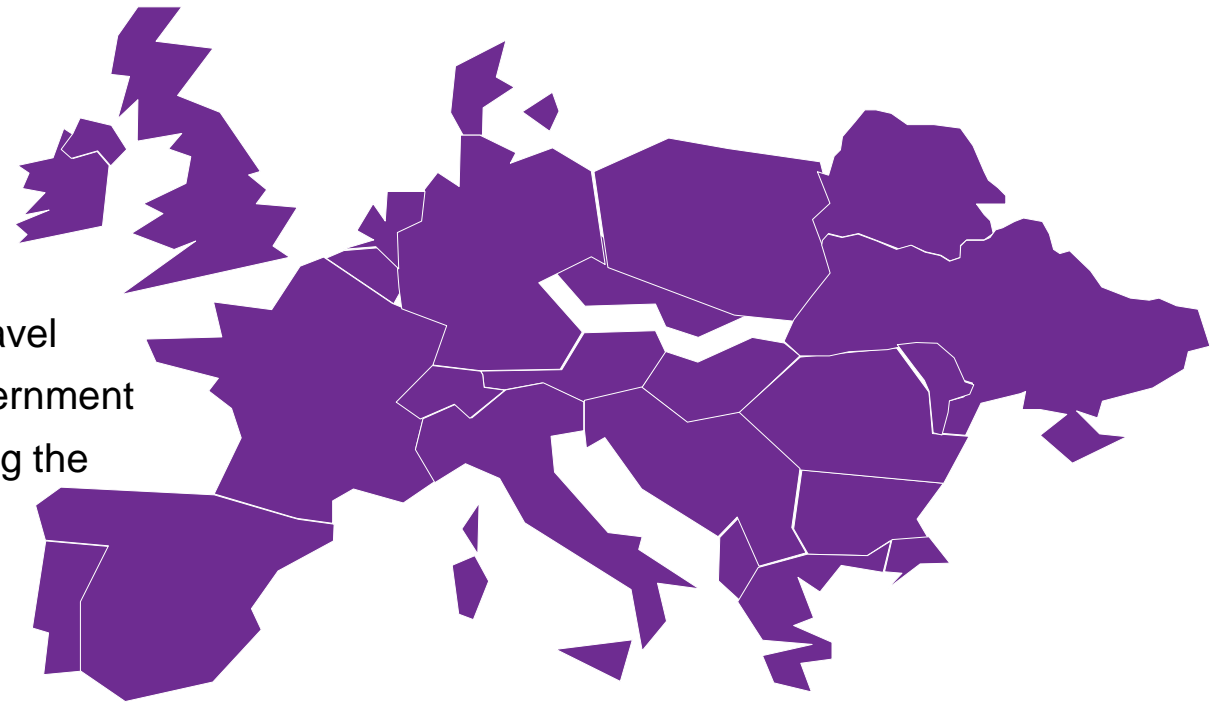
- **Malaysian** emergency services on Sunday rescued 21,000 people displaced by flooding from torrential rain in seven states. Rainfall on Saturday was equivalent to the total for a month in normal conditions.
- Turnout for the **Hong Kong** “*patriots*” only election was very low, about half of the previous poll in 2016, while **China** declared in a State Council white paper that it has “*restored order*” and brought “*democracy back on track*” in Hong Kong,
- Electoral authorities in the **Philippines** have rejected the first of a series of complaints seeking to disqualify presidential contender Ferdinand Marcos Jr, ahead of next year's election.
- The People’s Bank of **China** cut one of the country’s most important lending rates in a sign that the government had entered an easing cycle to counter a loss of economic momentum. China's antimonopoly bureau will step up legal enforcement against monopolistic behavior according to the amended antimonopoly law to improve the regulatory framework, reviewing planned mergers and acquisitions for anti-competitive behavior.



Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Europe

- The **Netherlands, Germany and Austria** introduced new travel restrictions to curb the spread of COVID-19. The **Dutch** government also announced a snap shutdown over the weekend, ordering the closure of all but essential stores and restaurants over the Christmas and New Year period.
- Health officials in **Germany** ruled out a Christmas lockdown on Sunday, while warning a fifth COVID-19 wave could no longer be stopped and recommending mandatory vaccination.
- The resignation on Saturday of **UK** Brexit minister David Frost, a key architect of Prime Minister Johnson's tumultuous Brexit strategy, raised questions about the future tone of the **EU** split and the immediate course of talks on Northern Ireland.
- The **Turkish** lira has continued its freefall after President Erdogan rejected warnings from business about rate cut risks and vowed that there was “*no going back*” from his approach.



Europe

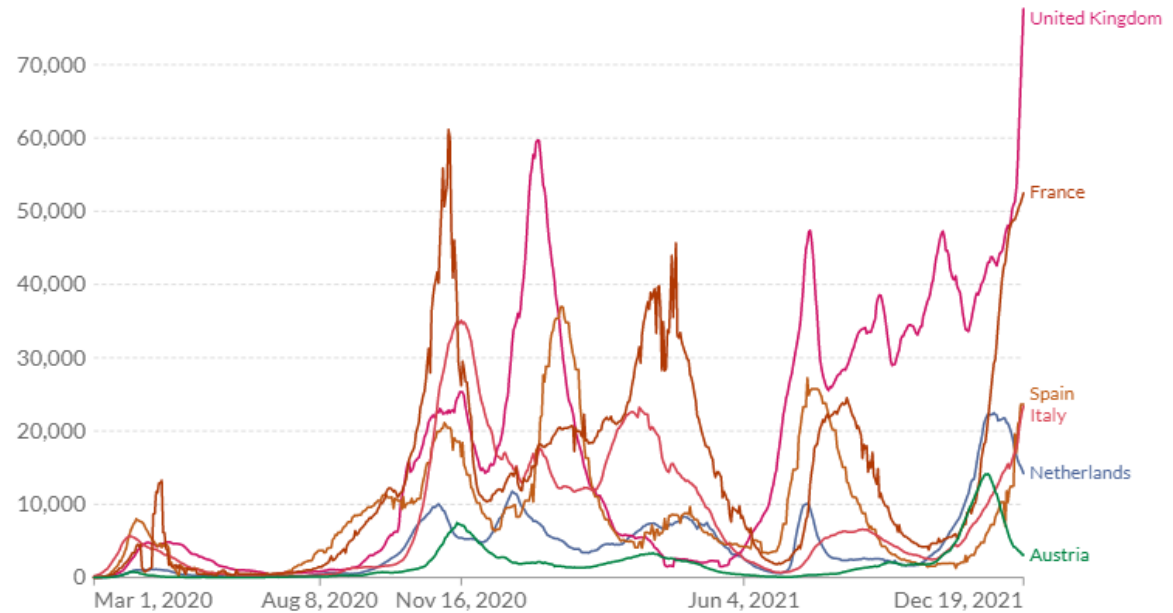
Britain reported a surge in cases of the Omicron coronavirus variant over the weekend which government advisors said could be just the tip of the iceberg; cases were up 51.9 percent over the past week.

Daily new confirmed COVID-19 cases

7-day rolling average. Due to limited testing, the number of confirmed cases is lower than the true number of infections.

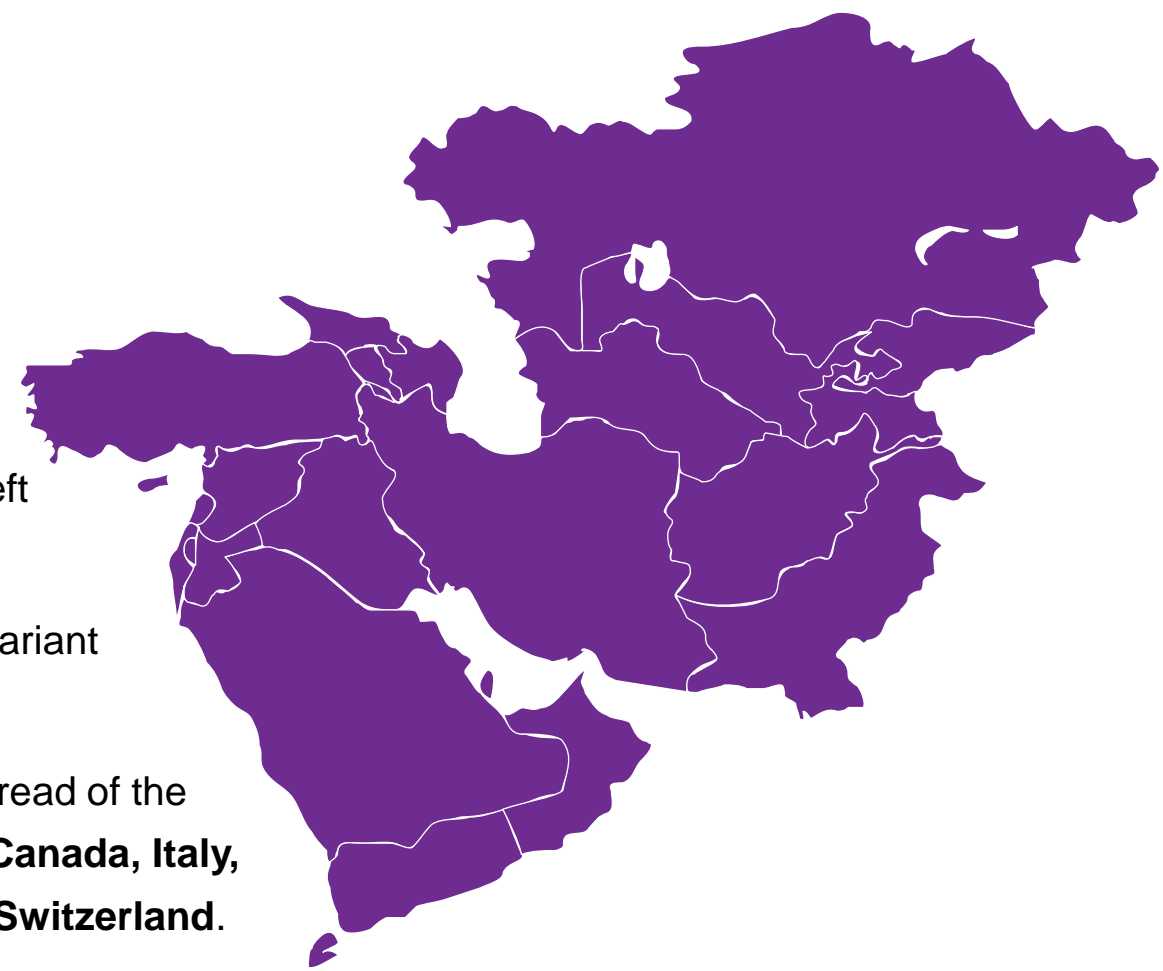
Our World in Data

[LINEAR](#) [LOG](#) [+ Add country](#)



Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Middle East



- A meeting of foreign ministers from the Organization of Islamic Cooperation agreed to establish a humanitarian trust fund to address the growing economic crisis in **Afghanistan** which has left millions facing hunger over the winter.
- **Qatar and Iran** has registered their first cases of the COVID-19 variant Omicron. The variant is now present in all the **Gulf states**.
- **Israel** added the US to its "no-fly" list, citing concerns over the spread of the Omicron variant. Israel's updated "red list" now includes the **US, Canada, Italy, Germany, Belgium, Hungary, Morocco, Portugal, Turkey and Switzerland**.
- The **UAE and Bahrain** are set to launch a joint nanosatellite to the International Space Station on Tuesday, representing a major milestone of cooperation in space science, technology and engineering between the two countries.
- The **Gulf Cooperation Council (GCC)** is pressing ahead with plans for an economic union between its six members in just four years' time, despite a "*very challenging*" timetable, per the GCC secretary-general.

Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Americas

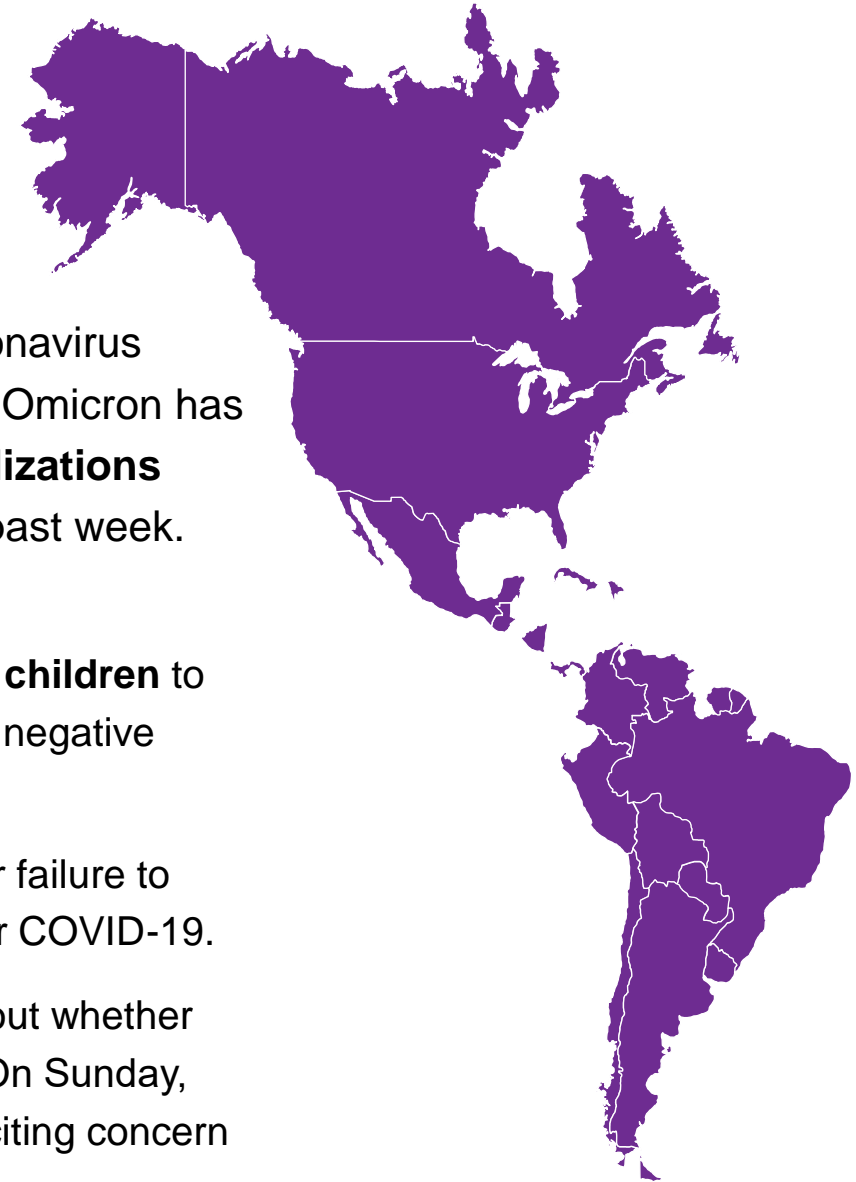


- A summit of the **South American** trade bloc Mercosur ended without a final presidential statement, as member nations failed to reach an agreement to reduce import tariffs amid a sharp rise in inflation.
- Gabriel Boric, a former student protest leader, has won the final round of **Chile's** presidential election, marking a decisive shift to the left after several years of civil unrest.
- **Brazilian** president Bolsonaro had a "*direct and relevant*" role in spreading disinformation about the country's electoral process during live streams on social media, per a federal police report.
- The United Nations expressed concerned by the reinstatement of a policy put in place by former **US** President Trump that forced tens of thousands of migrants to wait in **Mexico** for the resolution of their US asylum cases.
- In **Canada**, Ontario and British Columbia imposed new restrictions ahead of the holidays amid a resurgence of COVID-19 that has seen the seven-day average of new cases in the country in the past week jump 45 percent from the previous one.

Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Americas: US

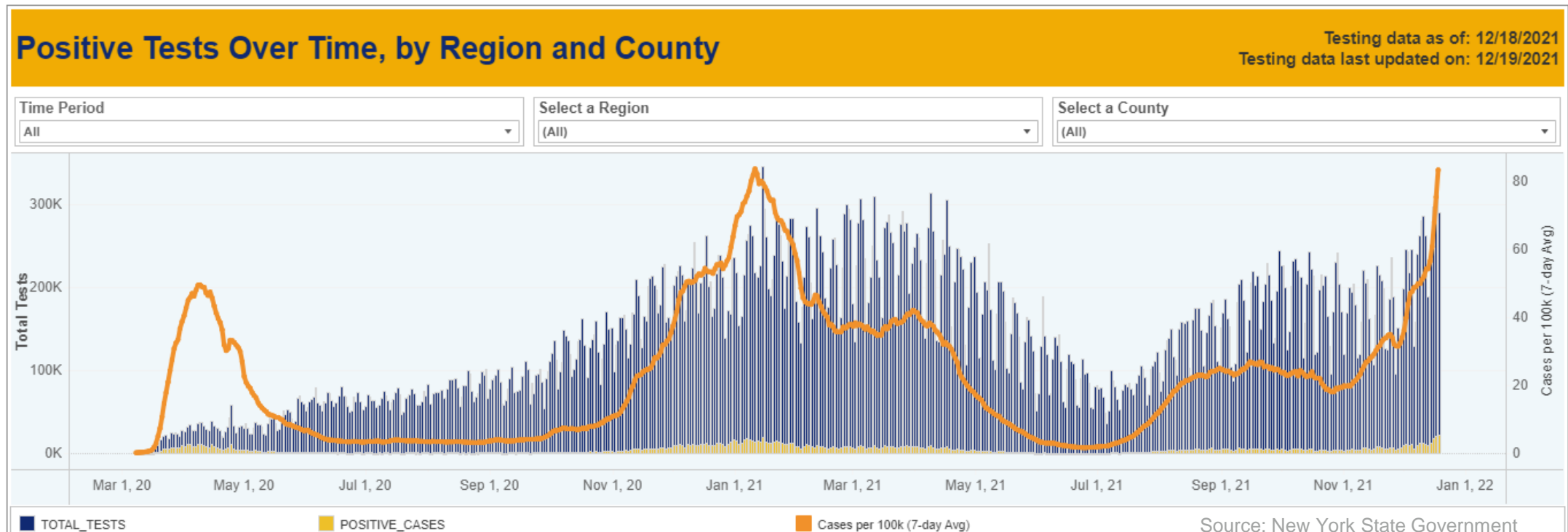
- Dr. Fauci warned Sunday that the US is likely to see record numbers of coronavirus cases, hospitalizations and deaths as the **omicron variant** spreads rapidly. Omicron has been found through testing in 43 out of 50 U.S. states. Nationwide, **hospitalizations** increased by about 3 percent and deaths rose by about 7 percent over the past week. But some regions are seeing a much steeper rise.
- The CDC released a new strategy called "*test-to-stay*" that allows **unvaccinated children** to stay in school even if they have been exposed to the coronavirus, if testing gives negative results.
- OSHA said it could start issuing citations to companies as soon as January 10 for failure to comply with a **nationwide mandate** that they either vaccinate or test regularly for COVID-19.
- Goldman Sachs downgraded its US **GDP growth forecasts**, as doubts grow about whether President Biden's \$1.75 trillion Build Back Better plan will be fully implemented. On Sunday, Democrat Senator Manchin said he could not support the Build Back Better bill, citing concern over rising debt.



Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Americas: US

For the third day in a row, New York reported a record daily level of new coronavirus cases. New York City Mayor de Blasio called on President Biden to invoke the Defense Production Act, to provide supplies of testing kits and treatments to New York City and the rest of the country.



Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Better Cyber Intelligence A Must for Business Leaders in 2022

By Scott Muir

As 2022 approaches, no one in the world has a complete picture of precisely how bad the scourge of cybercrime, and ransomware, in particular are. There is no universal trusted entity that logs each and every attack and shares information about them in real-time, although authorities around the world are ramping up counter operations and, in many jurisdictions, mandating reporting from victims. As a result, in the new year, leaders at organizations across every sector will require better cyber intelligence in order to understand the latest risks and to anticipate what lies ahead in a threat landscape that could end business as usual for many.

Boards of directors can position their organizations to survive inevitable attacks in 2022 by receiving the most timely, accurate education and information about bad actors, motives and tactics to inform decision-making. Importantly, business leaders will need to move beyond compartmentalized views of cybersecurity and instead embrace the all-encompassing risks of operating in the 'digital age,' in which almost every function is networked and a potential vulnerability.

Evolving Threat Landscape

A year ago, board members might have only heard in passing about obscure threats such as double-extortion ransomware and likely did not foresee the shift in the cyber threat landscape due to law enforcement going on the offensive against hackers. Today, we know that reported double-extortion incidents, which steal data and threaten to publish it, witnessed a whopping 935 percent increase in

Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Better Cyber Intelligence A Must for Business Leaders in 2022

2021, while cybercriminals are increasingly stalking small and medium size business and staying away from sensitive targets such as hospitals and critical national infrastructure that will lead to reprisal from authorities.

In the year ahead, boards and executive management must be on the same page when it comes to communicating about, and understanding, the latest cyber threats and motivations. For example, in 2022 ransomware may become a favorite tool of not just cybercriminals in search of money, but also foreign intelligence agencies in need of cover for sensitive espionage activity. Decision-makers will have to carefully assess if organizations possess certain data that may make them a potential target. Over the next year, threat groups will continue to exfiltrate and extort companies for money but may choose not to deploy ransomware. The new Karakurt hacker gang, for example, obtains stolen VPN credentials on the dark web and after stealing data directly contacts the victim for a payout rather than disrupting business operations with ransomware. Organizations will also need cyber intelligence during 2022 about hackers during who will take aim at corporations, groups and the government in order to achieve a political outcome during the

election year. It will be important to be aware of whether hackers are recruiting ideologically and financially motivated insiders to help them carry out attacks.

Better Cyber Intel for the Way Ahead

By incorporating forward leaning cyber intelligence into board room discussions, organizations will be in a better position to survive 2022. Of course, in order to have meaningful conversation about the cyber threat landscape, cyber risk, and cyber planning, boards will need to prioritize their own education. They must learn, or at least hear of, concepts and terminology that management teams will present to them. Boards must speak up if they do not understand new risks and threats and ask how exactly they pertain to protection of the most valuable company assets. Greater cyber fluency will also enable the board to play a more active role in the hiring of cyber executives and ensure they have the right leadership, right team, and right strategy in place for the security of the organization.

Consultation between the board and external cyber experts will help facilitate the flow of accurate and timely cyber intelligence. External sources can evaluate processes and posture and help board

Better Cyber Intelligence A Must for Business Leaders in 2022

members validate the usefulness of cyber intelligence they receive from in-house cybersecurity teams. Independent, third-party voices can also assess help develop metrics to gauge the accuracy and effectiveness of information flowing to the top. This will help the board to have confidence, or at least correct, the information with which they are provided from inside the organization. An outside expert may also deliver critical intelligence on an entire business sector and share industry-wide context and perspectives as compared with internal teams that specialize in the protection of their own company.

Boards can also inject cyber intelligence into strategic discussions through routine cyber risk assessments. The frequency will depend on what makes sense for a particular industry or sector, but regardless, board leaders must understand that quarterly or semi-annual assessments are not enough. Each time an organization goes through a big change, such as a merger, acquisition, IPO, or the adoption of a new enterprise-wide technology, there should be a fresh assessment as threats and vulnerabilities change. Boards can request that in-house teams and external sources demonstrate how cybersecurity is affected by the change so they can consider the best

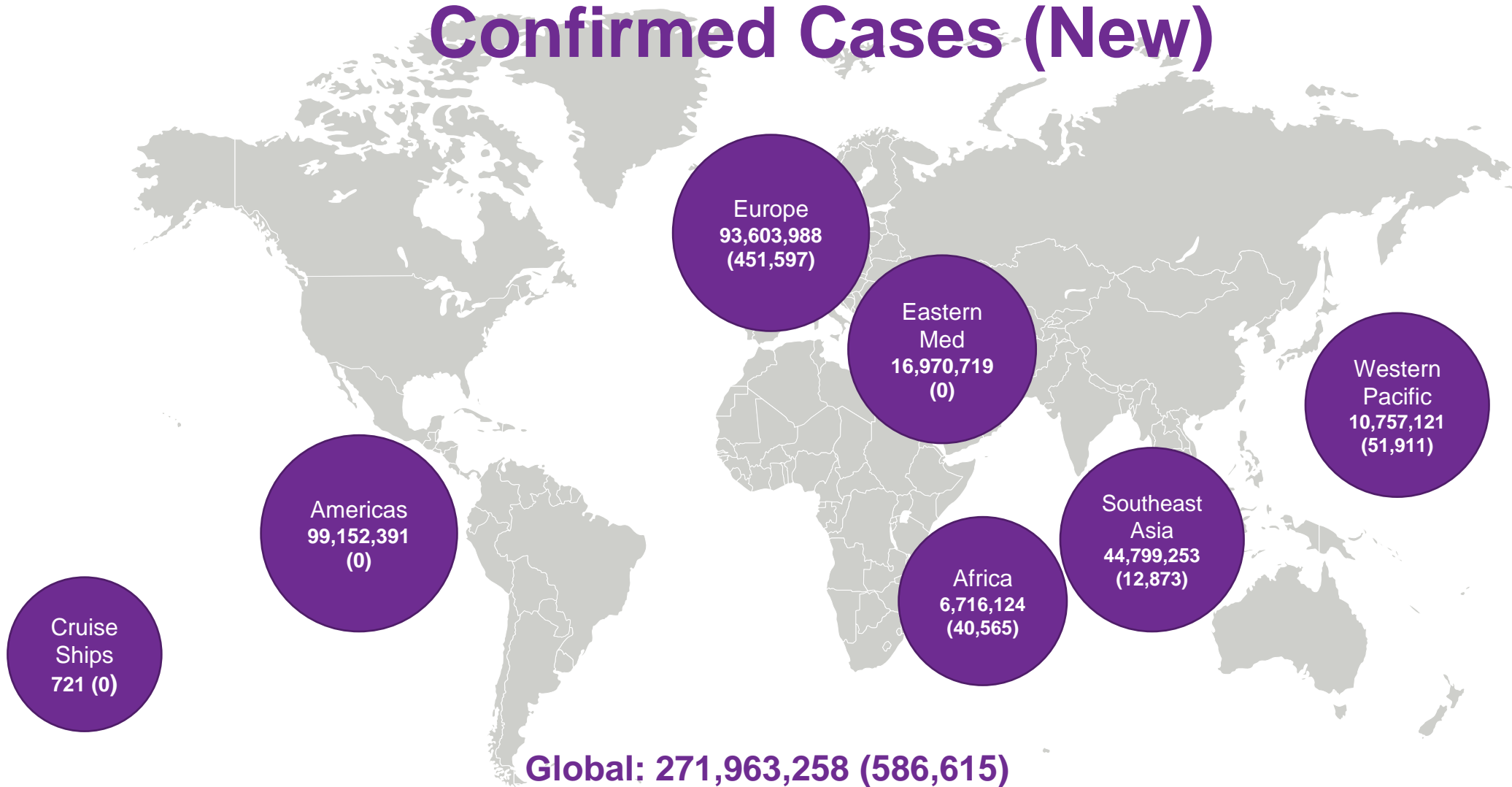
decisions to make. An assessment that takes into account how a hacker might perceive a change would provide leaders with critical intelligence. As attacks will be impossible to prevent in 2022 and beyond, boards should instead focus time and energy on acquiring forward looking intelligence to help mitigate cyber threats.

Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Coronavirus Condition Updates

As of 5:14 pm CEST on December 17, 2021

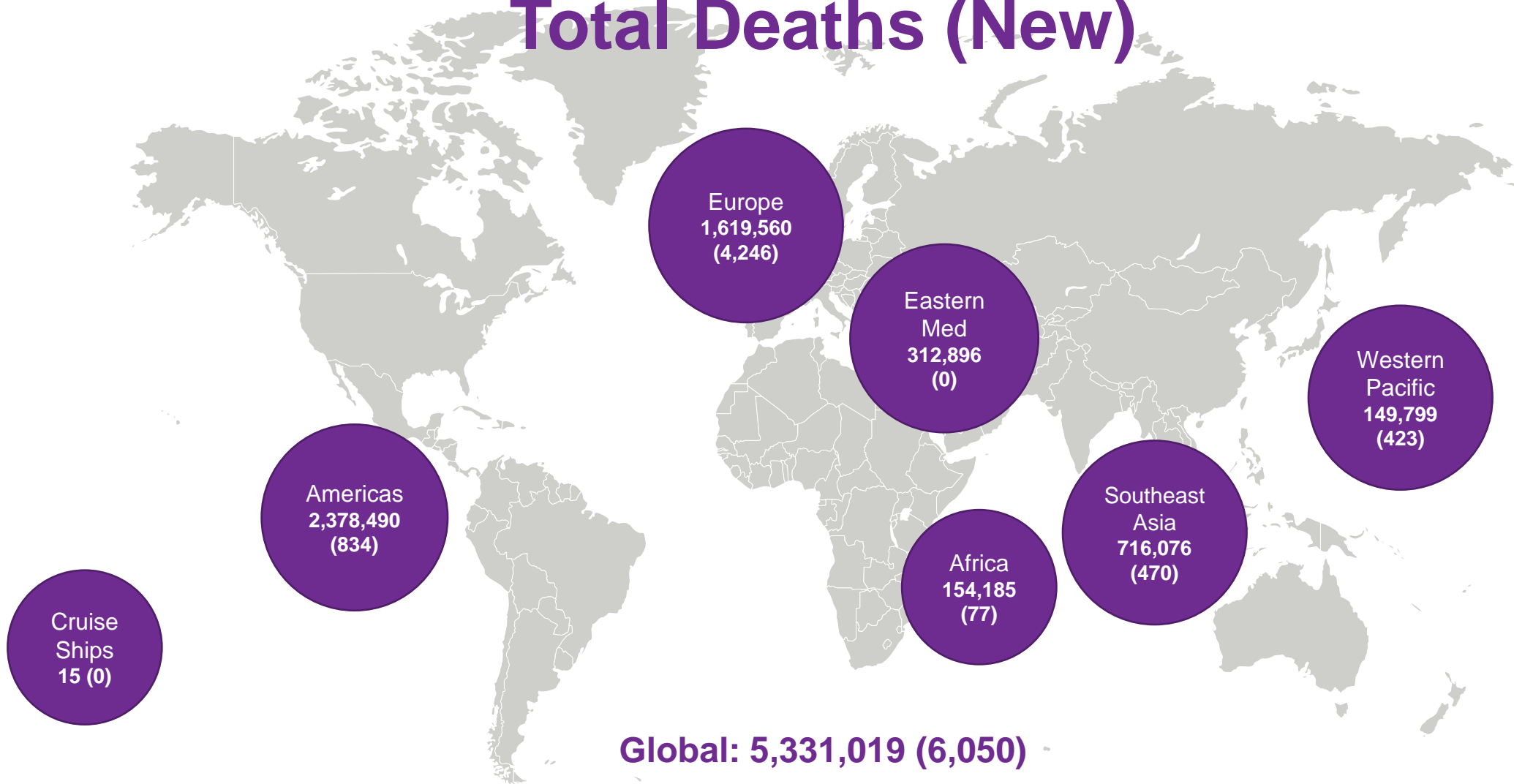
Confirmed Cases (New)



Reflects data as of 5:14 pm CEST on December 17, 2021.
Data Source: World Health Organization

Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Total Deaths (New)



Reflects data as of 5:14 pm CEST on December 17, 2021.
Data Source: World Health Organization

Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Contacts

This summary is based on reports sourced from among the 75 countries in which Dentons currently serves clients as well as from firms in other locations, some of which will formally join Dentons later in 2020. We are pleased to share this complimentary summary and contemporaneous assessment, with the caveat that developments are changing rapidly. This is not legal advice, and you should not act or refrain from acting based solely on its contents. We urge you to consult with counsel regarding your particular circumstances.

To read additional analysis, visit the [Dentons Flashpoint portal](#) for insights into geopolitics and governance; industry and markets; cyber and security; science, health and culture; and economic and regulatory issues.

Karl Hopkins

Partner and Global Chief Security Officer
Dentons
Washington, DC

D +1 202 408 9225
karl.hopkins@dentons.com

Melissa Mahle

Senior Analyst
Dentons
Washington, DC

D +1 202 408 6383
melissa.mahle@dentons.com